



# Air Quality Permitting Technical Memorandum

May 13 2003

**Tier II Operating Permit and Permit to Construct  
No. 077-00023**

**Chevron Pipe Line Company, Pocatello, Idaho**

Project No. T2-030303

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**FINAL PERMIT**



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## **ACRONYMS, UNITS, AND CHEMICAL NOMENCLATURE**

AFS	AIRS Facility Subsystem
CFR	Code of Federal Regulations
DEQ	Department of Environmental Quality
HAP	Hazardous Air Pollutant
IDAPA	Idaho Administrative Procedures Act
PTC	permit to construct
VDU	Vapor Destruction Unit
VOC	volatile organic compound



## PURPOSE

The purpose for this memorandum is to satisfy the requirements of the *Rules for the Control of Air Pollution in Idaho* IDAPA 58.01.01, Sections 200 and 404, et seq., for issuing Permits to Construct and Tier II operating permits.

DEQ staff has reviewed the information provided by the Chevron Pipe Line Company regarding the operation of their facility located in Pocatello, Idaho. The permittee requested amendments to the permit issued by DEQ to Chevron Pipe Line Company on January 22, 2003. The permittee submitted the requested amendments in a letter received by DEQ on March 31, 2003.

## PROJECT DESCRIPTION

This project is for an amended Tier II operating permit and permit to construct that creates state and federally enforceable limitations on the Pocatello facility's potential to emit VOCs. This permit qualifies the Chevron Pocatello facility as a "synthetic minor" for both VOC and HAP emissions. The permit limits VOC and HAP emissions from the storage tanks and loading racks to amounts less than the major facility thresholds listed below:

- VOC emissions - 100 T/yr, and
- HAPs emissions - 10 T/yr for a single HAP and 25 T/yr for aggregated HAPs.

As a "synthetic minor" source, the Chevron Pocatello facility is not subject to Tier I permitting, pollutant registration, and registration fee payments for major facilities.

## FACILITY DESCRIPTION

For a description of the Chevron Pipe Line Company/Northwest Terminalling Company's facility operations, emissions estimates, facility classification, and permit conditions, please see DEQ's Air Quality Permitting Technical Memorandum dated December 11, 2002. The technical memorandum also provides information regarding area classification.

The Chevron Pipe Line Company/Northwest Terminalling Company facility located in Pocatello, Idaho began operation in 1963. Initially the entire facility belonged to Chevron, but in 1994, with the exception of the mainline and manifold, it was transferred to Northwest Terminalling Company. Chevron personnel continue to operate the entire facility.

The facility, as originally constructed, consisted of 17 aboveground petroleum storage tanks, two additive storage tanks, a truck loading facility, and associated piping. Since 1963, seven aboveground petroleum storage tanks and 11 aboveground additive tanks have been added to the original facility. In 1997, a vapor destruction unit was added to the truck loading operation.

## SUMMARY OF EVENTS

- On February 28, 1994, DEQ issued Chevron a PTC for the addition of the diesel storage tanks No. 919 and No. 920.
- On June 6, 1994, DEQ issued another PTC to Chevron for the addition of the diesel storage tanks No. 919 and No. 920 because of a typographical error in the permit number.
- On April 21, 1995, DEQ issued a PTC to Chevron for the addition of the diesel storage tanks No. 919 and No. 920 to enforce 40 CFR 60, Subpart Kb.



- On June 12, 1995, DEQ received an application from Chevron for a Tier I operating permit.
- On November 23, 1998, DEQ received an updated version of the June 12, 1995 Tier I application.
- On April 2, 2001, DEQ received an application from Chevron for a Tier II operating permit.
- On August 15, 2001, DEQ received a notice of proposed throughput increase from Chevron.
- On December 5, 2001, DEQ received an addendum to the August 15, 2001 request for an increase in product throughput.
- On May 31, 2002, the Tier II application was declared complete.
- On August 16, 2002, DEQ issued a draft Tier II/PTC for facility review.
- On September 6, 2002, DEQ received comments from the Chevron Pipe Line Company.
- A public comment period was held between October 31, 2002 and November 29, 2002. Comments were received by DEQ. The DEQ's response to the comments is presented in Appendix A.
- On January 22, 2003, DEQ issued a final Tier II/PTC to Chevron Pipe Line Company.
- On March 31, 2003, DEQ received a request from the Chevron Pipe Line Company for amendments to the final Tier II/PTC issued on January 22, 2003.

## DISCUSSION

Table 1 presents the amendments to the permit requested by the permittee and DEQ's responses to the requests.

Table 1. PERMIT AMENDMENTS

Permit Condition	Permittee-Requested Amendment	DEQ Response
Table 1.1, Page 5	The Loading Rack throughputs do not reflect the "Facility Throughput Limits" in Appendix A. Revise Page 5 throughputs to be consistent with Appendix A on page 40.	<p>The throughputs listed in Table 1.1 of the permit issued on January 22, 2003 were not updated to reflect the requested throughputs in Chevron's December 5, 2001 permit application addendum. Table 1.1 has been updated to reflect the permitted throughputs listed in Appendix A of the permit.</p> <p>In addition, Appendix A is updated. The throughput limits in Appendix A are now presented in gallons per year to have consistent units with the information in Table 1.1 and the monitoring requirements of Permit Conditions 3.6 and 4.4.1.</p>



Permit Condition	Permittee-Requested Amendment	DEQ Response
2.8, Page 7	Permit Condition 2.8 is listed in Table 2.1. However, in the body of the permit, Permit Condition 2.8 has not been numbered. Number condition 2.8. In addition, as concluded during the permit handoff meeting, this item refers to an inspection of the facility. We request your concurrence.	<p>Permit Condition 2.8 has been numbered. As indicated in Permit Condition 2.8, the permittee is required to conduct a quarterly facility-wide inspection of any point of emission. IDAPA 58.01.01.006.30 defines emission as "...any release or discharge of any air pollutant from a stack, vent, or other means into the outdoor atmosphere that originates from an emission unit." IDAPA 58.01.01.006.32 defines an emission unit as "An identifiable piece of process equipment or other part of a facility which emits or may emit any air pollutant."</p> <p>An example of an emission at the Chevron facility would be the exhaust from the VDU<sup>8</sup> with the VDU stack as the emission unit. The permittee is required to perform a see/no see inspection for visible emissions from the VDU, and all other emissions units at the facility, on a quarterly basis. If visible emissions are noted from an emissions unit, the facility is required to perform a Method 9 opacity test on that unit only.</p>
2.14.2, Page 9	Currently on file at the facility are the "Product Quality Control Guidelines" that contain the Product Specification Requirements for each product type that is to be delivered in NWTC <sup>5</sup> facilities. These requirements include limits for the sulfur content of the fuels shipped. Shippers must meet these specification requirements in order to deliver product into our terminals. In addition NWTC can request a Certificate of Analysis (C of A or PQR) from the refiners/suppliers for any batch product that is put into the pipeline and delivered into an NWTC terminal. These requests are made on a routine basis to validate compliance with the specifications, and are kept on file at the terminal. We believe these guidelines and C of A process fulfills the intent of the law. We request your concurrence.	<p>Permit Condition 2.14.2 requires the permittee to obtain documentation of the sulfur content analysis of each shipment of distillate fuel or residual oil. The documentation must state the sulfur content in weight percent and the method of analysis.</p> <p>DEQ staff discussed the procedures in a phone conversation with Mark Saulsato of the Chevron Pipe Line Pocatello facility. Mr. Saulsato indicated that the NWTC Terminal receives Certificates of Analysis (PQRs) on a routine basis from the refiners/suppliers for shipments of diesel fuel. Mr. Saulsato also indicated that in the event that there is not a corresponding PQR at the NWTC Terminal for any shipment, the refiner/supplier could be contacted to obtain the information. This procedure appears to satisfy the intent of Permit Condition 2.14.2.</p>
3.2, Page 10	Substitute the term "nonsmoking flare" for "nonsmoking combustor".	The change is made as requested. Flaring is a high-temperature oxidation process used to burn combustible components, mostly hydrocarbons, of waste gases from industrial operations. The control device used on the loading racks meets the definition of a flare.



Permit Condition	Permittee-Requested Amendment	DEQ Response
3.3, Page 10	As discussed during the permit hand-off meeting, the facility throughputs have a cause and effect relationship with the facility emissions. If the facility throughputs rise or fall, the facility emissions rise and fall concurrently. To require a 12-month rolling recordkeeping system for both the throughput limits and emission limits is onerous and redundant. We believe that compliance will be guaranteed by maintaining the facility throughputs on a 12-month rolling basis and providing the emissions inventories on a less stringent basis. We request your concurrence.	Permit Condition 3.3 establishes VOC <sup>c</sup> emission limits from the gasoline, diesel, and transmix loading rack on a 12-month rolling basis. However, this condition does <u>not</u> require the facility to calculate and record emissions on a 12-month rolling basis. To reasonably assure compliance with the emission limits, Permit Condition 3.4 establishes throughput limits, and Permit Condition 3.6 requires the permittee to monitor and record the throughput to each loading rack for each month and on a 12-month rolling basis.  The permit establishes a parametric monitoring system to reasonably assure compliance with the emissions limits; however, DEQ at any time may request that the permittee calculate emissions for the previous 12-month period to demonstrate compliance with the emissions limits.  No changes to the permit are required.
3.7, Pages 10 & 11	As concluded during the permit hand-off meeting, this condition refers to the vapor destruction flare. We request your concurrence.	The requirements in Permit Condition 3.7 apply to control equipment at the facility, i.e. the VDU (flare).
3.8(3) through (5), Page 12	As discussed during the permit hand-off meeting, to ensure compliance, the permittee has developed an automated "alternate" cross-check Vapor Tightness Certification Program (Attachment A) that we believe fulfills the intent of the regulation. We request your concurrence.	The permit condition referred to in this comment is quoted in the permit directly from 40 CFR <sup>d</sup> 60.502(e). In summary, the intent of 60.502(e) is that the terminal owner, in this case the permittee, must assure that nonvapor-tight gasoline tank trucks cannot reload at the terminal until vapor-tightness documentation is obtained. The program as presented by the permittee in Attachment A fulfills the intent of the regulation.
3.10, Pages 18 through 21	This appears to be the test process for a gasoline cargo tank. Chevron does not conduct the test. This is more an issue for the "tester" of the cargo tank and the owner of the cargo tank. We believe that this section can be deleted from our Tier II permit. We request your concurrence.	This comment refers to the portions of the permit beginning in the middle of Page 18 with, "The annual certification test..." and continuing to the end of Permit Condition 3.10. These regulations refer to certification tests for cargo tanks. The responsibility to conduct these tests lies with the owners of the cargo tanks. As Chevron does not own cargo tanks at this time, these regulations do not currently apply to the facility. The regulations have been deleted from the permit as requested.
4.4 & 4.6, Pages 25 & 26	The Tier II Synthetic Minor permit mandates facility wide operating limits on both the facility throughputs and emissions. These limits include Tanks 919 and 920. These tanks are also subsequent to the same Storage Vessel Standards (Permit Condition 4.7), Test Methods and Procedures (4.9), and Reporting and Recordkeeping (4.12) requirements as are the other tanks in the facility. In order to simplify the recordkeeping and inspection process without jeopardizing facility compliance, we believe that Permit Conditions 4.4 and 4.6 should be removed from the permit. We request your concurrence.	Permit Conditions 4.4 and 4.6 require the permittee to implement a maintenance program to assure continuous reasonable control of fugitive VOC emissions from Tanks 919 and 920. These permit conditions are taken from PTC <sup>e</sup> 077-00023 issued to Chevron on 4/21/95.  The facility is subject to the requirements of 40 CFR 63.424, "Standards: Equipment Leaks". 63.424 requires the facility to perform monthly leak inspections on all equipment in gasoline service. 63.424 also mandates the time frame in which repairs to equipment must be completed.  DEQ believes that Permit Conditions 4.4 and 4.6 are repetitive with regards to the requirements of 40 CFR 63.424. Therefore, Permit Conditions 4.4 and 4.6 are removed from the permit.



Permit Condition	Permittee-Requested Amendment	DEQ Response
4.7(2), Page 27	This condition refers to external floating roof tanks. The facility does not have external floating roof tanks. We believe to clarify the permit, this condition should be deleted from the permit. We request your concurrence.	The permit condition has been deleted as requested. All requirements of 40 CFR 60.113b(b) are removed from the permit.
4.7(3), Page 27	This condition refers to a closed vent system and control device. The facility does not have a closed vent system and control device. We believe to clarify the permit, this condition should be deleted from the permit. We request your concurrence.	The permit condition has been deleted as requested. All requirements of 40 CFR 60.113b(c) are removed from the permit.
4.11(2) & (2)(ii), Pages 34 & 35	These conditions reference crude oil. The facility does not contain crude oil. We believe to clarify the permit, the reference to crude oil should be deleted. We request your concurrence.	The permit condition has been deleted as requested.
Last Bullet, Page 35	This condition refers to vessels equipped with a closed-vent system and control device. The facility does not have this type of system. We believe to clarify the permit, the bullet item should be deleted from the permit. We request your concurrence.	The permit condition has been deleted as requested.
4.12(b), Page 36	This condition refers to external floating roof tanks. The facility does not have external floating roof tanks. We believe to clarify the permit, the bullet item should be deleted from the permit. We request your concurrence.	The permit condition has been deleted as requested.
4.12(c) & (d), Page 37	This condition refers to a closed vent system and control device. The facility does not have a closed vent system and control device. We believe to clarify the permit, the bullet item should be deleted from the permit. We request your concurrence.	The permit condition has been deleted as requested.

- <sup>a</sup> Vapor Destruction Unit
- <sup>b</sup> Northwest Terminalling Center
- <sup>c</sup> Volatile organic compounds
- <sup>d</sup> Code of Federal Regulations
- <sup>e</sup> Permit to Construct

The responses provided in Table 1 are based on the information provided by the permittee in the letter received by DEQ on March 31, 2003. The responses were also based on information available from the Tier II operating permit and permit to construct issued on January 22, 2003 and DEQ's technical memorandum dated December 11, 2002. The permittee's operating permit was amended based on this information. Some changes to the permit included removing portions of the CFR from the permit. These regulations may be applicable to the permittee in the future if facility operations are modified. In the case of any discrepancy, conflict, or omission between the amended permit and the CFR, the requirement of the CFR shall control.

## FEES

The facility is exempt from paying the Tier II processing fee for this permit amendment in accordance with IDAPA 58.01.01.407.



## RECOMMENDATIONS

Based on the review of the application materials, and all applicable state and federal regulations, staff recommends that DEQ issue a final Tier II operating permit and Permit to Construct to the Chevron Pipe Line Company in Pocatello, Idaho. An opportunity for public comment on the air quality aspects of the proposed operating permit have been provided in accordance with IDAPA 58.01.01.404.01.c.

MJS/MS:sd

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